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Guan Chao Holdings Limited
冠轆控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1872)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

The board (“**Board**”) of Directors (the “**Directors**”) of Guan Chao Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (together, the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

The financial information set out in this preliminary announcement below does not constitute the Group’s consolidated financial statements for the year ended 31 December 2025 but represents an extract from those financial statements. The consolidated financial statements have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	Year ended 31 December	
		2025	2024
		S\$'000	S\$'000
Revenue	3	327,924	190,894
Cost of sales		<u>(298,367)</u>	<u>(169,594)</u>
Gross profit		29,557	21,300
Other income		1,299	653
Other gains – net		2,534	580
Selling and distribution expenses		(8,544)	(4,019)
General and administrative expenses		(27,632)	(18,243)
Impairment of financial assets		<u>(476)</u>	<u>(785)</u>
Operating loss	4	(3,262)	(514)
Finance costs – net		(1,612)	(2,784)
Share of profit of a joint venture		1	209
Share of loss of associates		<u>(262)</u>	<u>(249)</u>
Loss before income tax		(5,135)	(3,338)
Income tax (expense)/credit	6	<u>(861)</u>	<u>270</u>
Loss for the year	5	<u>(5,996)</u>	<u>(3,068)</u>
Other comprehensive (expense)/income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		(1,172)	–
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Fair value change on equity instruments measured at fair value through other comprehensive income		<u>675</u>	<u>539</u>
<i>Other comprehensive (expense)/income for the year, net of tax</i>		<u>(497)</u>	<u>539</u>
Total comprehensive expense for the year		<u>(6,493)</u>	<u>(2,529)</u>

	<i>Notes</i>	Year ended 31 December	
		2025	2024
		S\$'000	S\$'000
Loss for the year attributable to:			
Owners of the Company		(8,172)	(3,240)
Non-controlling interests		<u>2,176</u>	<u>172</u>
		<u>(5,996)</u>	<u>(3,068)</u>
Total comprehensive expense for the year			
Owners of the Company		(8,669)	(2,701)
Non-controlling interests		<u>2,176</u>	<u>172</u>
		<u>(6,493)</u>	<u>(2,529)</u>
			(restated)
Loss per share attributable to owners of the Company			
– Basic and diluted (Singapore cents)	8	<u>(1.38)</u>	<u>(0.85)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		As at 31 December	
		2025	2024
	Notes	S\$'000	S\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		39,723	29,850
Financial assets at fair value through profit or loss		11,079	–
Financial assets at fair value through other comprehensive income		13,971	100
Intangible assets	9	2,304	–
Deferred tax assets		528	–
Finance lease receivables		23,096	28,130
Investment in a joint venture		1,370	1,369
Investments in associates		54	464
		<u>92,125</u>	<u>59,913</u>
Current assets			
Inventories		36,243	38,939
Trade and other receivables and prepayments	10	124,131	19,732
Finance lease receivables		7,372	7,969
Restricted bank deposit		184	–
Cash and bank balances		23,735	11,200
		<u>191,665</u>	<u>77,840</u>
Total assets		<u>283,790</u>	<u>137,753</u>
EQUITY			
Capital and reserves			
Share capital	13	10,969	1,855
Reserves		147,041	69,005
		<u>158,010</u>	<u>70,860</u>
Equity attributable to owners of the Company			
Non-controlling interests		<u>5,225</u>	<u>561</u>
TOTAL EQUITY		<u>163,235</u>	<u>71,421</u>

		As at 31 December	
		2025	2024
	<i>Notes</i>	S\$'000	S\$'000
LIABILITIES			
Non-current liabilities			
Borrowings	<i>12</i>	29,622	37,461
Trade and other payables and provision for warranty	<i>11</i>	5,737	562
Deferred tax liabilities		375	189
		35,734	38,212
Current liabilities			
Trade and other payables and provision for warranty	<i>11</i>	40,986	10,310
Borrowings	<i>12</i>	42,211	17,790
Income tax payable		1,624	20
		84,821	28,120
Total liabilities		120,555	66,332
TOTAL EQUITY AND LIABILITIES		283,790	137,753

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 4 July 2017 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands.

The Company is an investment holding company. The principal activities of the Group are sales of new parallel-import motor vehicles and pre-owned motor vehicles, provision of motor vehicle financing services and motor vehicle insurance agency services, sales of motor vehicle spare parts and accessories, provision of motor vehicle leasing services, sales of hair-care products and manufactures and sales of lithium niobate crystals and lithium niobate thin films.

The Company's ordinary shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 February 2019.

The consolidated financial statements are presented in thousands of units of Singapore Dollar ("S\$'000") unless otherwise stated.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention except for the financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments which are measured at fair values.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the 2025 annual report. The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Adoption of new and revised IFRS Accounting Standards

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. IFRS Accounting Standards comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations. Save for the mentioned below, the adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year period and prior years.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 "Presentation of Financial Statements". This new IFRS Accounting Standards, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Groups are in the process of assessing the detailed impact of IFRS 18 on the Groups' consolidated financial statements.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The application of these new and revised IFRS Accounting Standards will not have material impact on the consolidated financial statements of the Group. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

The Executive Directors of the Company, who are the chief operating decision-maker of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the Executive Directors of the Company that are used to make strategic decisions, which are:

- Sales of motor vehicles and provision of related services;
- Rental income from operating lease of motor vehicles;
- Sales of spare parts and accessories;
- Sales of hair-care products; and
- Manufactures and sales of lithium niobate crystals and lithium niobate thin films.

The following is an analysis of the Group's revenue and results by operating segments for the year:

	Year ended 31 December	
	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Sale of motor vehicles*	311,248	177,003
Sales of hair-care products	103	–
Manufactures and sale of lithium niobate crystals and lithium niobate thin films	9	–
Motor vehicles financing related services		
– Finance commission income	7,211	3,321
– Insurance commission income	1,350	942
Sale of spare parts and accessories	209	19
	<hr/>	<hr/>
Revenue from contracts with customers under IFRS 15 recognised at point in time	320,130	181,285
Motor vehicles financing related services		
– Interest income from finance lease arrangements	2,529	3,813
Rental income from operating lease of motor vehicles	5,265	5,796
	<hr/>	<hr/>
Revenue from operating and finance lease arrangements under IFRS 16	7,794	9,609
	<hr/>	<hr/>
	<u>327,924</u>	<u>190,894</u>

* Include direct sales of motor vehicles and sales of motor vehicles under finance lease arrangements.

The Group has revenue related contract liabilities (receipts in advance from customers) as at the end of each year as disclosed in Note 11. Receipts in advance from customers as at the end of each of the year will be recognised as revenue in the next year of sales.

Segment revenue and results

For the year ended 31 December 2025

	Sales of motor vehicles and provision of related services <i>S\$'000</i>	Rental income from operating leases of motor vehicles <i>S\$'000</i>	Sales of spare parts and accessories <i>S\$'000</i>	Sales of hair-care products <i>S\$'000</i>	Manufactures and sales of lithium niobate crystals and lithium niobate thin films <i>S\$'000</i>	Consolidated <i>S\$'000</i>
Segment revenue						
Total sales and rental income	321,018	5,521	209	103	9	326,860
Inter-segment sales	(9,770)	(256)	-	-	-	(10,026)
External sales and rental income	311,248	5,265	209	103	9	316,834
Finance commission income	7,211	-	-	-	-	7,211
Insurance commission income	1,350	-	-	-	-	1,350
Interest income from finance lease arrangement	2,529	-	-	-	-	2,529
	<u>322,338</u>	<u>5,265</u>	<u>209</u>	<u>103</u>	<u>9</u>	<u>327,924</u>
Segment profit/(loss)	1,342	3,195	132	(3,889)	1,197	1,977
Finance costs - net	(1,512)	(605)	-	(113)	(45)	(2,275)
Share of profit of a joint venture						1
Share of loss of associates						(262)
Unallocated income and expenses						(4,576)
Loss before income tax						(5,135)
Income tax expense						(861)
Loss for the year						<u>(5,996)</u>

For the year ended 31 December 2024

	Sales of motor vehicles and provision of related services <i>S\$'000</i>	Rental income from operating leases of motor vehicles <i>S\$'000</i>	Sales of spare parts and accessories <i>S\$'000</i>	Consolidated <i>S\$'000</i>
Segment revenue				
Total sales and rental income	180,099	6,106	19	186,224
Inter-segment sales	<u>(3,096)</u>	<u>(310)</u>	<u>–</u>	<u>(3,406)</u>
External sales and rental income	177,003	5,796	19	182,818
Finance commission income	3,321	–	–	3,321
Insurance commission income	942	–	–	942
Interest income from finance lease arrangement	<u>3,813</u>	<u>–</u>	<u>–</u>	<u>3,813</u>
	<u>185,079</u>	<u>5,796</u>	<u>19</u>	<u>190,894</u>
Segment (loss)/profit	(1,869)	1,348	7	(514)
Finance costs - net	(1,941)	(843)	–	(2,784)
Share of profit of a joint venture				209
Share of loss of associates				<u>(249)</u>
Loss before income tax				(3,338)
Income tax credit				<u>270</u>
Loss for the year				<u><u>(3,068)</u></u>
Impairment of goodwill in an associate	(1,484)	–	–	<u><u>(1,484)</u></u>

Segment assets and liabilities

	Sales of motor vehicles and provision of related services <i>S\$'000</i>	Rental income from operating leases of motor vehicles <i>S\$'000</i>	Sales of hair-care products <i>S\$'000</i>	Manufactures and sales of lithium niobate crystals and lithium niobate thin films <i>S\$'000</i>	Unallocated <i>S\$'000</i>	Consolidated <i>S\$'000</i>
As at 31 December 2025						
Segment assets	<u>132,656</u>	<u>23,164</u>	<u>8,218</u>	<u>5,633</u>	<u>114,119</u>	<u>283,790</u>
Segment liabilities	<u>59,811</u>	<u>16,321</u>	<u>–</u>	<u>10,198</u>	<u>34,225</u>	<u>120,555</u>
Capital expenditure	<u>5,432</u>	<u>5,819</u>	<u>1,491</u>	<u>3,616</u>	<u>–</u>	<u>16,358</u>
As at 31 December 2024						
Segment assets	<u>110,004</u>	<u>25,357</u>	<u>–</u>	<u>–</u>	<u>2,392</u>	<u>137,753</u>
Segment liabilities	<u>45,917</u>	<u>17,636</u>	<u>–</u>	<u>–</u>	<u>2,779</u>	<u>66,332</u>
Capital expenditure	<u>1,664</u>	<u>3,214</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,878</u>

Unallocated segment assets represent deferred income tax assets and other corporate assets. Unallocated segment liabilities represent income tax liabilities and other corporate liabilities. Capital expenditure comprises additions to property, plant and equipment.

4. FINANCE COSTS - NET

	Year ended 31 December	
	2025 <i>S\$'000</i>	2024 <i>S\$'000</i>
Finance income		
Bank interest income	<u>813</u>	<u>142</u>
Finance expenses		
Interest expenses on bank loans	<u>(386)</u>	<u>(249)</u>
Interest expenses on block discounting financing	<u>(1,360)</u>	<u>(1,746)</u>
Interest expenses on lease liabilities	<u>(72)</u>	<u>(85)</u>
Interest expenses on hire purchase liabilities	<u>(607)</u>	<u>(846)</u>
	<u>(2,425)</u>	<u>(2,926)</u>
Finance costs - net	<u>(1,612)</u>	<u>(2,784)</u>

5. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/(crediting):

	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	14,876	10,074
Employer's contribution to defined contribution plans	1,028	915
Other staff benefits	653	479
	16,557	11,468
Auditor's remunerations	270	307
Cost of inventories sold	293,778	164,708
Depreciation of property, plant and equipment	4,910	4,439
Depreciation of right-of-use assets	1,479	1,134
Amortisation of intangible assets	100	–
(Reversal of impairment loss)/impairment loss on property, plant and equipment	(48)	64
Impairment loss of goodwill in an associate	–	1,484
Provision of inventories write-down	1,331	1,269
Rental expenses relating to short-term leases	2,259	689
Forfeiture of trade deposit paid	1,634	2,178

6. INCOME TAX EXPENSE/(CREDIT)

Singapore statutory income tax has been provided at the rate of 17% on the estimated assessable profit during the year ended 31 December 2025 (2024: 17%).

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the year ended 31 December 2025. No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2025 as the Group did not generate any assessable profits arising in Hong Kong during that year.

Under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. No PRC Enterprise Income Tax was provided for the years ended 31 December 2025 and 2024 as the Group did not derive any estimated assessable profits in PRC.

The amounts of income tax expense/(credit) charged/(credited) to the consolidated statement of profit or loss and other comprehensive income represent:

	Year ended 31 December	
	2025	2024
	S\$'000	S\$'000
Singapore profits tax		
– Current tax expense	1,563	19
Over-provision in prior years	(88)	(325)
Deferred tax (credit)/expense	(614)	36
	<u> </u>	<u> </u>
Total tax expense/(credit) for the year	<u> 861</u>	<u> (270)</u>

7. DIVIDEND

No dividend was declared or proposed for the years ended 31 December 2025 and 31 December 2024, nor has any dividend been proposed since the end of the reporting period.

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following:

	2025	2024
	S\$'000	S\$'000
Loss:		
Loss attributable to owners of the Company for the purpose of calculating basic loss per share	<u> (8,172)</u>	<u> (3,240)</u>
	<u> 2025</u>	<u> 2024</u>
	<u> '000</u>	<u> '000</u>
		(restated)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u> 592,857</u>	<u> 383,185*</u>

* restated arising from right issue mentioned in Note 13(iii)

There were one type of potential dilutive ordinary shares outstanding for the year ended 31 December 2025 and 2024. The Company's share options are not included in the calculation of the diluted loss per share because the average market price of the Company's shares during the year is less than the assumed exercise price of the share options, the potential ordinary shares were not included in the calculation of the diluted loss per share as their inclusion would be have no dilutive impact. Hence the diluted loss per share is the same as basic loss per share.

9. INTANGIBLE ASSETS

	Goodwill <i>S\$'000</i>	Patents and technical know-how <i>S\$'000</i>	Total <i>S\$'000</i>
Net carrying value at 1 January 2025	–	–	–
Acquisition of a subsidiary	520	1,877	2,397
Amortisation	–	(100)	(100)
Exchange realignment	–	7	7
	<hr/>	<hr/>	<hr/>
Net carrying value at 31 December 2025	520	1,784	2,304
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Patents and technical know-how were acquired through business combinations during the year, with an estimated useful life of 15 years. Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generated unit (“CGU”) that is expected to benefit from that business combination. As at 31 December 2025, the carrying amount of patents, technical know-how, and goodwill had been allocated to the CGU within the business segment of manufacturing and sales of lithium niobate crystals and lithium niobate thin films.

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	<i>Notes</i>	2025 <i>S\$'000</i>	2024 <i>S\$'000</i>
Trade receivables		17,482	7,385
Less: provision for impairment of trade receivables		(492)	(38)
		<hr/>	<hr/>
Trade receivables - net	<i>(i)</i>	16,990	7,347
Prepayments	<i>(ii)</i>	28,043	7,658
Prepayments for purchase of specific type of electric motor vehicles	<i>(iii)</i>	55,090	–
Amounts due from a joint venture	<i>(iv)</i>	–	14
Amount due from a director	<i>(iv)</i>	186	186
Amount due from associates	<i>(v)</i>	2,347	370
Amount due from related parties	<i>(iv)</i>	1,268	588
Contingent consideration receivables, at fair value		3,289	–
		<hr/>	<hr/>
		90,223	8,816
		<hr/>	<hr/>
Other receivables		17,793	4,444
Less: provision for impairment of other receivables		(875)	(875)
		<hr/>	<hr/>
Other receivables - net	<i>(vi)</i>	16,918	3,569
		<hr/>	<hr/>
Total		124,131	19,732
		<hr/> <hr/>	<hr/> <hr/>

Notes:

- (i) Trade receivables mainly include outstanding balances from customers arising from sale of motor vehicles and sale of spare parts and accessories. For the sale of motor vehicles, all customers are generally required to make payment at the point of transaction and no credit period is granted to these customers. The Group may, however, at times grant credit period to certain customers based on (a) size of order; (b) the Group’s relationship with the customers; and (c) the Group’s assessment of the reputation and credit worthiness of the customers and may impose interest on overdue balances.

- (ii) Prepayments mainly include advances to various suppliers for purchase of inventories and prepayment for purchase of Certificates of Entitlement. As at 31 December 2025, prepayments of S\$8,616,000 were pledged for the trust receipt (2024: S\$Nil).
- (iii) During the year ended 31 December 2025, a wholly-owned subsidiary of the Company, SEV New Energy Company Limited (“SEV”), entered into six sale and purchase agreements with four suppliers for the procurement of a total of 2,550 units of a specific type of electric vehicles, with an aggregate contract value of approximately S\$63,291,000 (equivalent to approximately HK\$268,000,000 and USD15,481,000). During the year, SEV novated one of the agreements to a third party at a transfer price of approximately S\$8,286,000, which was fully settled as at 31 December 2025. As at 31 December 2025, the outstanding prepayments for purchases of motor vehicles under the remaining five agreements amounted to approximately S\$55,090,000.

In connection with these agreements, SEV obtained guarantee contracts from Singapore Electric Vehicles Pte Ltd (“SEV Pte Ltd”), an indirect associate of the Group and a director of SEV Pte Ltd, who have jointly and severally guaranteed the performance obligations of the respective suppliers. Under the terms of the guarantees, the guarantors have undertaken to assume the obligation to sell any vehicles delivered by the suppliers but not subsequently sold by SEV.

Separately, on 10 December 2025, the Company entered into a call option agreement with a third party, pursuant to which the Company granted the third party the right to purchase up to 280 units of electric vehicles at a discount to published retail prices during a six-month option period. In consideration of the call option, the Company received a deposit of approximately S\$12,630,000, which is recognised as contract liabilities as at 31 December 2025. The deposit is refundable to the extent not applied towards the purchase price upon exercise of the option.

Subsequent to the reporting period, three of the remaining five agreements were terminated between 13 March 2026 and 20 March 2026. As at the date of approval of these financial statements, the Group had received refunds totalling approximately S\$35,122,000 in respect of the terminated agreements. Another agreement was novated to a third party on 12 March 2026 at a transfer price of approximately S\$12,168,000, which was fully settled as at the date of approval of these financial statements. As at the date of approval of these financial statements, an amount of approximately S\$8,322,000 remained outstanding under the remaining agreement, which has neither been terminated nor novated.

- (iv) The amounts due from a director, a joint venture and related parties are unsecured, interest free, and repayable on demand.
- (v) S\$1,755,000 (2024: S\$Nil) relates to a receivable that is unsecured, bears an interest of 8% per annum and repayable within 12 months.

The remaining balance of amounts due from associates are unsecured, interest free, and repayable on demand.

- (vi) Included in other receivable, there were:

S\$Nil (2024: S\$1,300,000) relates to a receivable that is secured, bears an interest of 1.25% to 2% per month and repayable within 12 months.

S\$1,798,000 (2024: S\$1,169,000) relates to a receivable that is unsecured, bears an interest of 4.5% to 7% per annum and repayable within 12 months.

As at the date of approval of these consolidated financial statements, the total balance of other receivables (net of provision for impairment) as at 31 December 2025 had been settled or recovered by approximately 75%.

As at 31 December 2025 and 2024, the ageing analysis of the trade receivables (net of provision for impairment) based on invoice date are as follows:

	As at 31 December	
	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Up to 3 months	16,758	7,284
3 to 4 months	–	6
4 months to 1 year	18	57
More than 1 year	214	–
	<u>16,990</u>	<u>7,347</u>

Movements in the provision for impairment of trade receivables are as follows:

	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
At 1 January	38	40
Provision for impairment of trade receivables	476	(2)
Written off	(22)	–
	<u>492</u>	<u>38</u>

Movements in the provision for impairment of other receivables are as follows:

	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
At 1 January	875	53
Reclassification from provision for impairment for lease liabilities	–	117
Provision for impairment of other receivables	–	705
	<u>875</u>	<u>875</u>

11. TRADE AND OTHER PAYABLES AND PROVISION FOR WARRANTY

	Notes	2025 S\$'000	2024 S\$'000
Trade payables	(i)	11,119	630
Other payables		2,552	575
Amounts due to a joint venture	(ii)	–	1
Amounts due to associates	(ii)	71	178
Amounts due to related parties	(ii)	3,749	1,715
Contract liabilities	(iv)	21,258	3,387
Accrued operating expenses		4,917	3,417
Provision for warranty	(iii)	3,057	969
		<u>46,723</u>	<u>10,872</u>

Analysis:

– Current		40,986	10,310
– Non current		5,737	562
		<u>46,723</u>	<u>10,872</u>

Notes:

- (i) The credit period of trade payables is generally 30 days. The terms and conditions in relation to the release of retention vary from contract to contract, which usually within one year and subject to practical completion, the expiry of the defect liability period or a pre-agreed time period.

An ageing analysis of the trade payables as at 31 December 2025 and 2024, based on the invoice date, is as follows:

	2025 S\$'000	2024 S\$'000
Within 1 month	10,829	467
1 to 4 months	6	29
4 months to 1 year	155	134
More than 1 year	129	–
	<u>11,119</u>	<u>630</u>

- (ii) The amounts due to a joint venture, associates and related parties are unsecured, interest-free, and repayable on demand.

- (iii) Movement in provision for warranty is as follows:

	2025 S\$'000	2024 S\$'000
As at 1 January	969	712
Provision for the year	2,230	456
Provision utilised	(142)	(199)
	<u>3,057</u>	<u>969</u>

- (iv) Contract liabilities comprise deferred revenue and advance payment from customers.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

	2025 <i>S\$'000</i>	2024 <i>S\$'000</i>
<i>Revenue recognised that was included in the contract liabilities balance at the beginning of the year</i>		
Sales of motor vehicles	<u>2,825</u>	<u>3,340</u>

Management expects that the transaction price allocated to unsatisfied performance obligation as at 31 December 2025 and 2024 may be recognised as revenue in the next reporting period as follows:

	2025 <i>S\$'000</i>	2024 <i>S\$'000</i>
Within one year from the reporting period	17,084	2,825
After one year from the reporting period	<u>4,174</u>	<u>562</u>
	<u>21,258</u>	<u>3,387</u>

As at 31 December 2025, included in the balance of contract liabilities is an amount of approximately S\$12,630,000 related to a call option agreement with a third party.

The carrying amounts of the trade and other payables approximate to their fair values.

12. BORROWINGS

	<i>Notes</i>	2025 <i>S\$'000</i>	2024 <i>S\$'000</i>
Non-current			
Block discounting financing	<i>(ii)</i>	19,118	25,126
Hire purchase liabilities	<i>(iii)</i>	8,915	11,739
Lease liabilities		1,416	596
Term loan	<i>(iv)</i>	<u>173</u>	<u>–</u>
		<u>29,622</u>	<u>37,461</u>
Current			
Borrowings against inventories	<i>(i)</i>	–	1,525
Block discounting financing	<i>(ii)</i>	8,807	8,056
Lease liabilities		2,132	494
Hire purchase liabilities	<i>(iii)</i>	4,115	4,946
Term loan	<i>(iv)</i>	11	610
Short term loan	<i>(v)</i>	16,833	2,159
Trust receipts	<i>(vi)</i>	<u>10,313</u>	<u>–</u>
		<u>42,211</u>	<u>17,790</u>
		<u>71,833</u>	<u>55,251</u>

Notes:

- (i) Borrowings against inventories were secured by certain inventories and corporate guarantee provided by the Company.
- (ii) Block discounting financing were secured by certain portion of the finance lease receivables and corporate guarantee provided by the Company. Block discounting financing contains a repayable on demand clause. However, prior to the year end, the Group had received a confirmation letter from a bank waiving its rights to demand immediate repayment for a period of 12 months from 31 December 2025 and 2024. Therefore, the Group classified certain portion of the block discounting as at 31 December 2025 and 2024 as non-current.
- (iii) Hire purchase liabilities were bank loans secured by motor vehicles and corporate guarantee by the Company.
- (iv) As at 31 December 2025, the term loan was repayable 3% of the principal semi-annually and the remaining principal was repayable after 36 months from the date of drawdown. Therefore, the Group classified a certain portion of the term loan as at 31 December 2025 as non-current.

The term loan was secured by a personal guarantee from a legal representative of a subsidiary of the Company. (2024: corporate guarantee provided by the Company).

- (v) Short term loan is unsecured, bears an interest of 6.5% per annum (2024: 6.5% per annum) and repayable within 3 months (2024: repayable within 12 months).
- (vi) Trust receipts were secured by certain inventories, prepayments and corporate guarantee provided by the Company.

13. SHARE CAPITAL, SHARE PREMIUM AND CAPITAL RESERVE

	<i>Notes</i>	Number of ordinary shares '000	Nominal value of ordinary shares S\$'000	Share premium S\$'000
Ordinary shares of HK\$0.01 each (before share consolidation) and HK\$0.1 each (after share consolidation)				
Authorised:				
At 1 January 2024		10,000,000	17,207	–
Share consolidation	<i>(i)</i>	<u>(9,000,000)</u>	<u>–</u>	<u>–</u>
At 31 December 2024, 1 January 2025 and 31 December 2025		<u>1,000,000</u>	<u>17,207</u>	<u>–</u>
Issued and fully paid:				
At 1 January 2024		900,000	1,550	11,864
Share consolidation	<i>(i)</i>	<u>(810,000)</u>	<u>–</u>	<u>–</u>
Subscription of new shares	<i>(ii)</i>	<u>18,000</u>	<u>305</u>	<u>1,650</u>
At 31 December 2024 and 1 January 2025		108,000	1,855	13,514
Issue shares pursuant to rights issue	<i>(iii)</i>	<u>431,906</u>	<u>7,340</u>	<u>21,849</u>
Issue shares pursuant to placing agreement	<i>(iv)</i>	<u>111,795</u>	<u>1,774</u>	<u>64,811</u>
At 31 December 2025		<u>651,701</u>	<u>10,969</u>	<u>100,174</u>

Notes:

- (i) On 23 May 2024, an ordinary resolution has been passed by the shareholders of the Company for a share consolidation pursuant to which every ten (10) issued and unissued existing shares of HK\$0.01 each will be consolidated into one (1) consolidated share of HK\$0.10 each (the “**Share Consolidation**”). The Share Consolidation was completed on 27 May 2024. Details of the Share Consolidation are set out in the Company’s circular dated 5 May 2024.
- (ii) On 7 June 2024, the Company issued 18,000,000 new shares of par value of HK\$0.10 each to an independent third party under general mandate at a subscription price of HK\$0.63 per share. The premium on the issue of shares amounting to HK\$9,540,000 (equivalent to approximately S\$1,650,000) was credited to the Company’s share premium account.
- (iii) On 13 January 2025, the Company completed the allotment and issuance of 431,906,081 rights shares of par value of HK\$0.10 each on the basis of four (4) rights share for every one (1) share at HK\$0.40 per rights share, the premium of the issue of rights shares amounting to HK\$128,556,000 (equivalent to approximately S\$21,849,000) was credited to the Company’s share premium account. Details of which are set out in the prospectus of the Company dated 22 November 2024 and the announcement of the Company dated 13 December 2024.
- (iv) On 8 April 2025, the Company issued 21,600,000 new shares of par value HK\$0.10 each to six no less than six independent third parties under general mandate at a placing price of HK\$0.73 per share. The premium on the issue of shares amounting to HK\$13,445,000 (equivalent to approximately S\$2,285,000) was credited to the Company’s share premium account.

On 18 July 2025, the Company issued 90,195,000 new shares of par value HK\$0.10 each to six no less than six independent third parties under general mandate at a placing price of HK\$4.3 per share. The premium on the issue of shares amounting to HK\$374,970,000 (equivalent to approximately S\$62,526,000) was credited to the Company’s share premium account.

Capital reserve of S\$3,494,000 (2024: S\$3,494,000) represented the combined share capital of Vincar Pte. Ltd., Vincar Leasing and Rental Pte. Ltd. and Autoart Motorsports Pte. Ltd. before the Reorganisation from 2017 to 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in selling new parallel-import motor vehicles and pre-owned motor vehicles, with the main business being the sales of brand new parallel-import motor vehicles in Singapore. Apart from the sales of motor vehicles, the Group also provides related services and products, such as (i) provision of motor vehicle financing services; (ii) provision of motor vehicle insurance agency services; (iii) sales of motor vehicle spare parts and accessories (iv) sales of hair-care products; and (v) manufactures and sales of lithium niobate crystals and lithium niobate thin films.

During the year ended 31 December 2025 (“FY2025”), the Group sold 1,473 and 1,147 units of new motor vehicles and pre-owned motor vehicles, respectively, as compared with 905 and 565 units of new motor vehicles and pre-owned motor vehicles sold, respectively, for the year ended 31 December 2024 (“FY2024”). Therefore, the revenue increased by approximately S\$137.0 million, and such increase was mainly attributable to the increased demand from customers.

During FY2025, the Group commenced new businesses in: (i) the development, production, and distribution of hair growth products, including essential oils, shampoos, and nutritional supplements; and (ii) the production of lithium niobate crystals and lithium niobate thin films, which are key materials for modern communication technologies. The revenue contributed by these two segments in FY2025 was minimal, as they were in the initial start-up phase. For more details on the new businesses, please refer to the Company’s announcement dated 11 July 2025.

BUSINESS OUTLOOK

The Company anticipates that the challenging operating environment, marked by sluggish economic recovery, global instability, and complex international dynamics, will continue. However, the management will maintain its focus on prudent business strategies, including effective cost control, quality customer service, and strong supplier relationships, to reinforce its leadership position as a parallel-import motor vehicle dealer in Singapore.

FINAL DIVIDEND

The Board does not declare the payment of any final dividend for FY2025 (FY2024: Nil).

FINANCIAL REVIEW

Revenue

The Group’s revenue increased by approximately S\$137.0 million or 71.8% from approximately S\$190.9 million for FY2024 to approximately S\$327.9 million for FY2025, which was mainly attributable to the increase in sales of motor vehicles amounting to approximately S\$134.2 million or 75.8%.

Sales of motor vehicles

The sales of new motor vehicles increased by approximately S\$125.9 million or 94.9%, which was mainly attributable to the increase in units of motor vehicles sold from 905 units for FY2024 to 1,473 units for FY2025 and the increase in average selling price of new motor vehicles sold from approximately S\$147,000 for FY2024 to approximately S\$176,000 for FY2025.

The sales of pre-owned motor vehicles increased by approximately S\$8.3 million or 18.8%, which was mainly due to the increase in units of motor vehicles sold from 565 units for FY2024 to 1,147 units for FY2025 despite the decrease in average selling price of pre-owned motor vehicles sold from approximately S\$78,000 for FY2024 to approximately S\$46,000 for FY2025.

Motor vehicle financing services

The Group's revenue from motor vehicle financing services increased by approximately S\$2.6 million or 36.6% from approximately S\$7.1 million for FY2024 to approximately S\$9.7 million for FY2025 respectively. The increase was mainly attributable to the increase of financing arrangements as a result of the increase in the sales of motor vehicles.

Insurance agency services

The Group's commission income from insurance companies for referral of customers varied depending on the insurance premium under the insurance policies. The Group's commission income from insurance companies remained stable for FY2024 and FY2025 which amounted to approximately S\$0.9 million and S\$1.4 million, respectively.

Leasing of motor vehicles

The income from leasing of motor vehicles decreased by approximately S\$0.5 million or 8.6% from approximately S\$5.8 million for FY2024 to approximately S\$5.3 million for FY2025. The decrease was mainly attributable to a decrease in motor vehicles with higher value being leased to corporate customers during FY2025 versus motor vehicles with lower value being leased to private hire drivers. The Group's number of motor vehicles being rented to customers was 174 units and 181 units as at 31 December 2024 and 2025, respectively.

Sales of spare parts and accessories

The income from sales of spare part and accessories remained stable at approximately S\$19,000 for FY2024 and approximately S\$209,000 for FY2025.

Sales of hair-care products

The income from sales of hair-care products amounted to approximately S\$103,000 for FY2025 (FY 2024: S\$Nil) and the corresponding gross loss for the year was approximately S\$51,000.

Manufactures and sales of lithium niobate crystals and lithium niobate thin films

The Group manufactures and sales of lithium niobate crystals and lithium niobate thin films for its customers based on the customers' designs and specifications pursuant to manufacturing agreements and/or purchase orders. Revenue from the sale of lithium niobate crystals and lithium niobate thin films is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the thin films. The income from manufactures and sales of lithium niobate crystals and lithium niobate thin films amounted to approximately S\$9,000 for FY2025 (2024: S\$Nil) and the corresponding gross loss for the year was approximately S\$47,000.

Cost of sales

The Group's cost of sales increased by approximately S\$128.8 million or 75.9% from approximately S\$169.6 million for FY2024 to approximately S\$298.4 million for FY2025. The increase was mainly due to the increase in cost of motor vehicles (and related costs) sold in FY2025.

For FY2025, the cost of motor vehicles (and related costs) sold increased by approximately S\$128.1 million or 77.6% from approximately S\$165.0 million for FY2024 to approximately S\$293.1 million for FY2025 and was in line with the increase in sales of motor vehicles.

Gross profit and gross profit margin

As a result of the foregoing, the Group's total gross profit increased from approximately S\$21.3 million for FY2024 to approximately S\$29.6 million for FY2025. The overall gross profit margin decreased from approximately 11.2% for FY2024 to approximately 9.0% for FY2025 which was mainly due to the decrease of profit margin from sales of motor vehicles business.

Gross profit and gross profit margin from sales of motor vehicles

The Group's gross profit from sales of motor vehicles increased by approximately S\$5.8 million, or 47.2% from approximately S\$12.3 million for FY2024 to approximately S\$18.1 million for FY2025, and the Group's gross profit margin for sales of motor vehicles was approximately 7.0% for FY2024 and approximately 5.8% for FY2025. The decrease in gross profit margin for sales of motor vehicles was mainly contributed to that the Group sold proportionally more pre-owned motor vehicles which are normally sold at a lower margin as compared to new motor vehicles.

Gross profit and gross profit margin from motor vehicle financing services

The net interest spread for FY2025 decreased by approximately 1.6% from approximately 6.0% for FY2024 to approximately 4.4% for FY2025, as a result of a decrease of approximately 1.6% in the average yield on finance lease receivables.

Gross profit and gross profit margin from leasing of motor vehicles

The Group's gross profit from leasing of motor vehicles remained stable at approximately S\$0.9 million for FY2024 and approximately S\$0.4 million for FY2025.

Gross profit and gross profit margin from sales of spare parts and accessories

The Group recorded a gross profit from sales of spare parts and accessories of approximately S\$19,000 for FY2024 and approximately S\$132,000 for FY2025.

Other income

The Group's other income increased from approximately S\$0.7 million for FY2024 to approximately S\$1.3 million for FY2025, which was mainly due to the increase of sales of motor vehicles accessories, sales of solar panel and commission income from motor vehicle manufacturers.

Other gains - net

The Group's other gains - net increased by approximately S\$1.9 million or 316.7% from net gains of approximately S\$0.6 million for FY2024 to net gains of approximately S\$2.5 million for FY2025 which was mainly due to the effect of (i) foreign exchange gains of approximately S\$0.1 million for FY2024 to foreign exchange losses of approximately S\$0.6 million for FY2025; (ii) fair value gain on financial assets at fair value through profit or loss of approximately S\$0.6 million for FY2025 (FY2024: S\$Nil) and (iii) fair value gain on contingent consideration receivable of approximately S\$1.7 million for FY2025 (FY2024: S\$Nil).

Selling and distribution expenses

The Group's selling and distribution expenses increased by approximately S\$4.5 million or 112.5% from approximately S\$4.0 million for FY2024 to approximately S\$8.5 million for FY2025. The increase was mainly due to the increase in sales commission to the salespersons as a result of the increase in sales of motor vehicles and the increase in advertising and marketing expenses for FY2025.

General and administrative expenses

The Group's general and administrative expense increased by approximately S\$9.4 million or 51.6% from approximately S\$18.2 million for FY2024 to approximately S\$27.6 million for FY2025. The increase was mainly attributable to the increase in employee benefit expenses, legal and professional fees and rental expenses relating to short-term leases.

Finance income and finance expenses

Finance income represents bank interest income. The Group had minimal finance income for FY2024 and FY2025.

The Group's finance expenses decreased from approximately S\$2.9 million for FY2024 to approximately S\$2.4 million for FY2025. The decrease was mainly due to the decrease in interest expenses on block discounting financing of approximately S\$0.4 million resulting from a lower average balance of such financing.

Income tax (expense)/credit

The Group recorded income tax expense of S\$0.9 million for FY2025 as compared to income tax credit of S\$0.3 million for FY2024, which was mainly due to the increase in taxable profit from the Group's operation in Singapore.

Loss for the year and net loss margin

As a result of the foregoing, the Group recorded a loss of approximately S\$6.0 million for FY2025 as compared to a loss of approximately S\$3.1 million for FY2024 and the Group's net loss margin was approximately 1.9% for FY2025 as compared to a net loss margin of approximately 1.6% for FY2024. Such increase in loss for FY2025 was primarily due to the (i) increase in selling and distribution expenses by approximately S\$4.5 million; and (ii) increase in general and administrative expenses by approximately S\$9.4 million and offset by the increase in gross profit by approximately S\$8.3 million.

CAPITAL STRUCTURE

As at 31 December 2025, the capital structure of the Group consisted of borrowings and equity of the Group, comprising share capital, share premium, capital reserve, share based payment reserve, equity investment revaluation reserve, exchange reserve and retained earnings.

LIQUIDITY AND FINANCIAL RESOURCES

During FY2025, the Group's working capital was financed by internal resources, borrowings and net proceeds from the Rights Issue and the Placings.

The Group's primary uses of cash are for purchases of motor vehicles for sale and leasing purposes and for funding of the Group's operations. The Group has financed its operations mainly by various forms of borrowings, including bank loans, borrowings against inventories, trust receipts, block discounting financing, hire purchase liabilities and term loan, etc.

LIQUIDITY RATIOS

As at 31 December 2025, the Group had cash and bank balances of approximately S\$23.7 million (2024: approximately S\$11.2 million). The Group's current ratio, debt to equity ratio and gearing ratio ratios are as follows:

	As at 31 December	
	2025	2024
Current ratio	2.3	2.8
Debt to equity ratio	44.0%	77.4%
Gearing ratio	23.3%	38.3%

Current ratio represents the current assets over current liabilities as at the end of the respective date.

Debt to equity ratio is determined by dividing total debt by total equity as at the end of the respective date. Total debt includes borrowings.

Gearing ratio equals net debt, which represents total debt net of cash and cash equivalents, over total capital as at the end of the respective date. Total capital includes total equity (excluding non-controlling interest) and net debt.

BORROWINGS AND PLEDGE OF ASSETS

As at 31 December 2025, the Group had borrowings of approximately S\$71.8 million (2024: approximately S\$55.3 million). Certain borrowings were secured by certain inventories, motor vehicles, finance lease receivables and corporate guarantee provide by the Company as disclosed in note 12 to the consolidated financial information of this announcement.

The Group aims to maintain flexibility in funding by keeping sufficient bank balances, committed credit lines available and interest-bearing borrowings, which enable the Group to continue its business for the foreseeable future.

CAPITAL EXPENDITURE AND COMMITMENTS

During FY2025, the capital expenditures amounted to approximately S\$16.4 million which was used for the purchases of property, plant and equipment in Singapore (2024: approximately S\$4.9 million). The Group finances its capital expenditures primarily through cash generated from operating activities and bank borrowings.

As at 31 December 2025, the Group did not have material capital commitments (2024: S\$Nil).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

Except for the acquisition of Guangzhou JingHong New Material Co., Ltd. the Group did not have any significant investment, material acquisition and disposal of subsidiaries and affiliated companies during the year ended 31 December 2025.

FOREIGN EXCHANGE RISK

The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The Group is exposed to foreign exchange risk arising from various currency exposure, primarily with respect to Hong Kong dollars and United States dollars. The Group's exposure to other foreign exchange movements is not material. No hedging activities had been made by the Group during the year ended 31 December 2025.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2025 (2024: S\$Nil).

EMPLOYEE, EMPLOYEE REMUNERATION AND REMUNERATION POLICY

As at 31 December 2025, the Group employed a total of 230 employees (2024: 108 employees), excluding the Directors. Employee benefit expense (including directors' emoluments) of approximately S\$16.6 million incurred for the year ended 31 December 2025 (2024: S\$11.5 million).

The remuneration package of the employee mainly includes salaries and allowances, sales commission and bonuses. The remuneration of the employees is determined by reference to prevailing market terms and in accordance with the performance, qualification and experience of each individual employee. The Company has adopted a share option scheme to reward the employees for their contribution to the Group and to provide them with incentives to further contribute to the Group.

The Group also provides in-house trainings to the staff which aim at updating their product knowledge, as well as improving their technical skills.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the prospectus in relation to the rights issue dated 22 November 2024 (the “**Prospectus**”), the intended use of proceeds from the placing of new shares as disclosed in the announcements dated 30 May 2025, 17 June 2025 and 18 July 2025 and the plan for setting up the motor vehicle workshop as disclosed in the section headed “Use of Proceeds” of this annual results announcement, the Group did not have future plans for material investments and capital assets as at 31 December 2025.

USE OF PROCEEDS

The total net proceeds raised from the listing of shares of the Company on 28 February 2019 (the “**Net Proceeds**”) were approximately HK\$52.9 million after deduction of underwriting fees and commissions and estimated expenses payable by the Group.

Set out below are details of the allocation of the Net Proceeds, the utilised and unutilised amounts of the Net Proceeds as at 31 December 2025:

	Approximate percentage of total amounts	Actual Net Proceeds <i>HK\$'000</i>	Planned utilised amounts as at 31 December 2025 <i>HK\$'000</i>	Utilised amounts as at 31 December 2025 <i>HK\$'000</i>	Unutilised amounts as at 31 December 2025 <i>HK\$'000</i>
Expanding the scale of the Group’s motor vehicle hire purchase financing business	45.8%	24,230	24,230	24,230	–
Expanding the scale of the Group’s pre-owned motor vehicle sales business	30.2%	15,974	15,974	15,974	–
Setting up a motor vehicle workshop	10.4%	5,499	5,499	5,499	–
Enhancing the Group’s branding, sales and marketing efforts	7.7%	4,062	4,062	4,062	–
Working capital	5.9%	3,148	3,148	3,148	–
Total	100%	52,913	52,913	52,913	–

All of the Net Proceeds were fully utilised as of 31 December 2025.

EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fundraising activities in the past twelve months immediately prior to the date of this annual results announcement:

Date of relevant announcements and circular	Events	Net proceeds	Intended use of Proceeds	Actual use of proceeds as at the date of this annual results announcement
12 July 2024, 24 September 2024, 22 November 2024, 13 December 2024 and 10 January 2025	Rights issue on the basis of four (4) rights shares for every one (1) share held on the record date	HK\$170.64 million	<ul style="list-style-type: none"> <li data-bbox="831 479 1198 600">(i) approximately HK\$119.43 million used for the expansion of the Group's motor vehicle business network into Thailand; <li data-bbox="831 674 1198 824">(ii) approximately HK\$17.07 million used for the development of the Group's newly commenced anion exchange membrane (AEM) water electrolysis business; <li data-bbox="831 864 1198 987">(iii) approximately HK\$17.07 million used to Group's sales and service network and marketing and enhance its brand awareness; and <li data-bbox="831 1021 1198 1144">(iv) the remaining portion of approximately HK\$17.07 million will be used for the Group's general and corporate administrative purposes 	<ul style="list-style-type: none"> <li data-bbox="1251 479 1450 539">(i) fully utilised as intended; <li data-bbox="1251 674 1450 734">(ii) fully utilised as intended (Note); <li data-bbox="1251 864 1450 925">(iii) fully utilised as intended; and <li data-bbox="1251 1021 1450 1081">(iv) fully utilised as intended

Note: Please refer to the Company's supplemental announcement dated 11 July 2025 for the change in use of proceeds from the rights issue in relation to the AEM water electrolysis business.

Date of relevant announcements and circular	Events	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this annual results announcement
30 May 2025, 17 June 2025, 20 June 2025, 27 June 2025, 4 July 2025, 11 July 2025 and 18 July 2025	Placing of new shares under general mandate	HK\$389.96 million	<ul style="list-style-type: none"> <li data-bbox="834 259 1222 416">(i) approximately HK\$74.94 million will be used to support the business development of Guangzhou Jinghong New Materials Co., Ltd.* (廣州晶鴻新材料有限公司); <li data-bbox="834 483 1222 573">(ii) approximately HK\$70 million will be used for a possible investment in the AIMI Group; <li data-bbox="834 607 1222 696">(iii) approximately HK\$95.59 million will be used for the production and distribution of hair growth products; <li data-bbox="834 763 1222 920">(iv) approximately HK\$47.81 million will be used to support marketing initiatives for both the Group's existing and prospective business ventures; and <li data-bbox="834 954 1222 1144">(v) approximately HK\$95.62 million will be used to enhance the Group's working capital for supporting ongoing business operations, administrative needs, and compliance obligations <li data-bbox="834 1178 1222 1272">(vi) approximately HK\$70 million will be used for financing the Subscription Price 	<ul style="list-style-type: none"> <li data-bbox="1251 259 1473 383">(i) approximately HK\$10.69 million has been utilised as intended; <li data-bbox="1251 483 1473 539">(ii) change of use of proceeds (Note); <li data-bbox="1251 607 1473 730">(iii) approximately HK\$81.19 million has been utilised as intended; <li data-bbox="1251 763 1473 887">(iv) approximately HK\$40.44 million has been utilised as intended; <li data-bbox="1251 954 1473 1010">(v) fully utilised as intended; and <li data-bbox="1251 1178 1473 1234">(vi) fully utilised as intended

It is anticipated that these funds will be fully utilized by the second half of 2026. Save as the above, the Company has not conducted any fundraising activities in the past twelve months immediately prior to the date of this annual results announcement.

Note: Please refer to the Company's announcement dated 10 March 2026.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the "**Share Option Scheme**") on 1 February 2019. The purpose of the Share Option Scheme is to enable the Company to grant options to eligible persons as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre eligible persons and attract human resources that are valuable to the Group. The principal terms of the Scheme are summarised in the section headed "Share Option Scheme" in Appendix IV to the Prospectus.

As at 31 December 2025, there were 9,000,000 share options granted by the Company under the Share Option Scheme which were valid and outstanding, representing approximately 1.4% of the issued share capital of the Company as at the date of this announcement. The share options are exercisable for a period of ten years from 8 April 2020 (the "**Option Period**") and expiring at the close of business on the last day of the Option Period or at the expiry of the Scheme, whichever is earlier. The share options have vested on 8 April 2020.

No share options were granted, exercised, cancelled or lapsed under the Share Option Scheme during the year ended 31 December 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its code of conduct regarding securities transaction by Directors. The Company, having made specific enquiry, confirms that all Directors have complied with the Model Code throughout the year ended 31 December 2025.

CORPORATE GOVERNANCE CODE

During the year ended 31 December 2025, the Company has applied the principles of and complied with all the applicable code provisions set out from time to time in the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Listing Rules, save and except for the following deviations from code provisions A.2.1 and C.2.5 of the CG Code.

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive shall be separated and shall not be performed by the same individual. Mr. Vincent Tan currently holds both positions. Throughout the business history, Mr. Vincent Tan, as a founder and the substantial shareholder of the Group, has held the key leadership position of the Group and has been deeply involved in the formulation of corporate strategies and management of business and operations of the Group. Taking into account the consistent leadership within the Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, the Directors, including the independent non-executive Directors consider that Mr. Vincent Tan is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Group and the shareholders as a whole.

Under code provision C.2.5 of the CG Code, the Group should have an internal audit function. The Company has no internal audit function because the Company has maintained an internal control system and its implementation has been considered effective by the audit committee and the Board. In addition, the audit committee has communicated with external auditor of the Company to understand if there is any material control deficiency. Nevertheless, the Company will review the need for one on an annual basis.

EVENTS AFTER THE REPORTING PERIOD

On 10 March 2026, Shenzhen Tianqiming Technology Co., Ltd* (深圳天啟明科技有限公司) (“**Shenzhen Tianqiming**”), a wholly-owned subsidiary of the Company, entered into the subscription agreement with Guangzhou Haote Energy Saving Technology Co., Ltd.* (廣州豪特節能環保科技股份有限公司) (the “**Target Company**”) and Mr. Chen Zhenming (陳振明), pursuant to which Shenzhen Tianqiming has agreed to subscribe to RMB5,413,652.00 of the newly increased registered capital of the Target Company (equivalent to 5,413,652 new ordinary shares of the Target Company), with the Subscription Price of RMB139,997,040.70. For more details, please refer to the Company’s announcement dated 10 March 2026.

Save as disclosed above, the Group had no other significant events after 31 December 2025 and up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient minimum public float under the Listing Rules during the year ended 31 December 2025 and up to the date of this announcement.

AUDIT COMMITTEE

The Company established an Audit Committee on 1 February 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code. The Audit Committee consists of three independent non-executive Directors, namely, Mr. Chow Wing Tung, Mr. Tam Yat Kin Ken and Mr. Wu Qing. Mr. Chow Wing Tung is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Group’s financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025, including the accounting principles and practices adopted by the Group.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED (“ZHONGHUI”)

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, ZHONGHUI, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by ZHONGHUI in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI on the preliminary announcement.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The section below is an extract of the independent auditor’s report by ZHONGHUI regarding the consolidated financial statements of the Group for FY2025:

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for qualified opinion

Prepayments for purchases of motor vehicles and contract liabilities arising from the sale of motor vehicles

As more fully described in Note 21 (iii) to the consolidated financial statements, as at 31 December 2025, the Group recognised prepayments for purchases of motor vehicles of approximately S\$55,090,000 and contract liabilities of approximately S\$12,630,000 in respect of a deposit received under a call option agreement for the sale of motor vehicles.

We have not been provided with sufficient appropriate audit evidence to satisfy ourselves as to the nature of the above prepayments and contract liabilities. In particular, no motor vehicles have been delivered to the Group under the relevant procurement agreements during the year and up to the date of this report. In addition, we were unable to obtain sufficient appropriate audit evidence to assess the recoverability of prepayments of approximately S\$8,322,000 in respect of one of the procurement agreements which, as at the date of this report, has neither been terminated nor novated, and whether any impairment provision is required in respect thereof.

Any adjustment found to be necessary in respect of these matters may have a consequential effect on the Group’s consolidated financial performance and its consolidated cash flows for the year ended 31 December 2025, the Group’s consolidated financial position as at 31 December 2025, and the related disclosures thereof in the consolidated financial statements.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange and the Company, and the annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Guan Chao Holdings Limited
Mr. Tan Shuay Tarnng Vincent
Co-chairman and executive Director

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises Mr. Tan Shuay Tarnng Vincent, Mr. Zhang Xiaoyang, Ms. Beng Lee Ser Marisa and Mr. Jin Zhehui as executive Directors; Ms. Dong Wenying as non-executive Director; and Mr. Chow Wing Tung, Mr. Tam Yat Kin Ken and Mr. Wu Qing as independent non-executive Directors.